Irregularities in recovery of Customs Duty from Industrial Houses

1272. SHRI RAJNI RANJAN SAHU : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that his Ministry has noticed irregularities in the recovery of disputed customs duty from several big industrial houses; and

(b) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) No irregularity in the recovery of disputed customs duty from any big industrial house has been noticed in the recent past.

(b) Does not arise in view of reply to part (a) above.

Constitution of a Committee for extending credit to Exporters

1273. CHOWDHRY HARI SINGH :

SHRI MURLIDHAR CHANDRAKANT BHANDARE :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Governor of the Reserve Bank of India, while delivering the key note address to the "Open House meet on Banking" in Madras on September 10, 1992, announced the constitution of a committee to look into the modalities of extending immediate credit facilities to exporters;

(b) if so, what is the composition and precise functions of the committee; and

(c) what are the circumstances leading to constitution of such a committee ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (c) It has been reported by the Reserve Bank of India (RBI) that they had been receiving various requests regarding certain aspects of export credit and problems faced by exporters. Federation of Indian Export Organisations (FIEO) had also made a number of suggestions in this regard. When similar requests were also made by the exporters in the Open House Meeting held at Madras, the Governor RBI constituted a committee under Dr. G. Sundaram, Additional Secretary in the Ministry of Commerce to go into the complaints relating to structure of export finance. Apart from the Chairman, the Committee consists of the representatives of various Departments of RBI, Ministries of Finance and Commerce, FIEO, FICCI, ECGC and certain other associations and groups of exporters.

The terms of reference of the Committee are as under :

(i) To go into the complaints regarding the interest rate structure on export finance, both at pre-shipment and post-shipment stages.

(ii) To study the maximum period upto which the pre-shipment and post-shipment credit should be made available.

(iii) Whether the application of various credit norms like Maximum Permissible Bank Finance (MPBF), single borrower exposure, inventory norms, etc. should be made applicable for export credit or not.

(iv) To study the existing sanctioning procedure obtaining at the commercial banks for sanction of loans, and to suggest ways to expedite the sanction.

(v) To consider the desirability of continuing Post-Shipment Credit in Foreign Currency (PSCFC) in the existing form and also its extension to other currencies.

(vi) To consider the feasibility of the rediscounting of export bills in the overseas market.

(vii) To consider any other issue having a bearing on the strueture of export credit, with a view to removing difficulties in the way of exoprts.

World Bank's warning on balance of payments crisis

1274. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the World Bank has warned India against the possibility of another balance of payments crisis in the next few years;